IN THE UNITED STATES
PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Appellant(s)	Jitendra Apte Marina Lima Roesler	
Serial No.	08/691,900	Group Art Unit : 2163
Filing Date	August 1, 1996	
Docket No	2-4 (111327)	Examiner: Romain Jeanty
Title	INTERACTIVE MULTIMEDIA ADVERTISING AND ELECTRONIC COMMERCE ON A HYPERTEXT NETWORK	

COMMISSIONER FOR PATENTS
WASHINGTON, D.C. 20231

APPEAL BRIEF

SIR:

This is an Appeal from a Final Office Action dated November 6, 2001, rejecting each of the pending claims 1-36, 41, 42, 48-52, and 54-60. The Notice of Appeal was timely filed on February 6, 2002, and received by the Patent Office on February 26, 2002. The period to file this Appeal Brief, with a three-month extension pursuant to 37 CFR 1.136(a), expires on July 26, 2002.

1. REAL PARTY IN INTEREST

The real party in interest in the present appeal is AT&T Corp. *See* Assignment, recorded November 25, 1996, at Reel 8244, Frame 0742. AT&T Corp. is the assignee of the entire right, title, and interest in the above-identified application.

2. RELATED APPEALS AND INTERFERENCES

There are no known related appeals or interferences.

3. STATUS OF CLAIMS

The present patent application was filed on August 1, 1996, and contained claims 1-47. Claims 48-64 were added in an amendment by appellants, dated November 18, 1998.

Claims 40, 43, 44, and 46 were cancelled in the November 18, 1998 amendment. Claims 37-39, 45, 47, 53, 61, 62, 63, and 64 were cancelled in an amendment by appellants, dated November 17, 1999. Claims 37-39 and 62 were cancelled due to a restriction requirement.

Appellants now appeal the final rejection of remaining claims 1-36, 41, 42, 48-52, and 54-60. A copy of the appealed claims is attached hereto in the APPENDIX.

### 4. STATUS OF AMENDMENTS

All amendments to date have been entered.

5. SUMMARY OF INVENTION

The present invention discloses a system and method for advertising and carrying out electronic commerce on the Web. The present invention takes advantage of advertising software that operates as an overlay to a conventional known browser, such as Netscape Navigator, and divides the user's client computer display into an advertising area and a browser area. The advertising area is presented with a user interface that, in various different embodiments, allows the user to control the presentation and content of the advertisements. The browser area, on the other hand, retains the original functionality of the underlying browser and operates substantially independently of the advertising area – except that certain user selections in the advertising area, such as a purchase transaction button, may cause relevant hypertext pages such as an advertiser's website to be loaded and displayed in the browser when selected.

An example of such a display, in accordance with a preferred embodiment of the present invention is shown in the figure below (FIG. 5 from appellants' specification):

FIG. 5
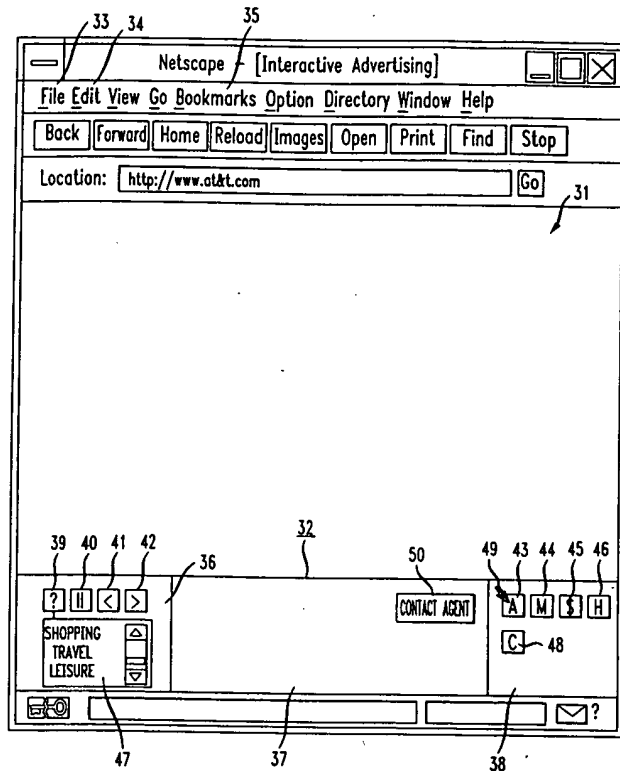
The display shown above has an advertising area 32, further comprising a step back button 41, a step forward button 42, a pause button 40, a help button 39, and a transaction area 38 with a sales agent button 43, a media clip button 44, a secure purchase button 45, a home page button 46, and an electronic coupon button 48. The advertisements are shown in the display area 37.

The system is advantageous in that it retains the flexibility of a conventional browser while avoiding the static nature of a fixed advertisement shown on a particular hypertext page being currently displayed. Several advertisements may be displayed to a user in the advertising area while the user browses a single page in the browser area. The advertisements do not scroll off the screen as the user scrolls down the single page. The presentation of the advertisements, as well as how obtrusive or unobtrusive they are, is determined by the advertising software and not by the hypertext itself in the browser area. Accordingly, the advertising software is not limited to the modalities provided by the browser; the advertising software can utilize any multimedia features and capabilities available on the client computer to stimulate users.

An advertising server can be used to stream the advertisements in sequence to the advertising software on the client computer more or less continuously. This is in contrast to known advertising services, which download a set of advertisements to a client computer that are stored and shown in a repeating loop to the user.

6. ISSUES

The issue on appeal is whether claims 1-36, 41, 42, 48-52, and 54-60 are unpatentable under 35 U.S.C. § 103(a) primarily over Reilly et al (U.S. Patent No. 5,740,549) in view of Judson et al. (U.S. Patent No. 5,721,721).

7. GROUPING OF CLAIMS

A. Claims 1-2, 4-5, and 7-11 are directed to a system for providing to a user advertising on a hypertext network.

B. Claims 22, 25, 27, and 34 are directed to a method for providing advertising to a user on a hypertext network.

C. Claims 48-51 and 54-60 are directed to a client computer for presenting advertising to a user.

D. Claims 3, 13, 14, 16-21, 24, 26, 28, 29, 31-33, 35, and 36 are directed to a system and method for providing advertising to a user and effectuating transactions on a hypertext network.

E. Claims 41-42 are directed to a method of effectuating a secure purchase transaction on a hypertext network.

F. Claims 6, 15, and 30 are directed to a system and method for providing advertising and a help page to a user on a hypertext network.

G. Claims 12, 23, and 52 are directed to a system and a method for providing advertising to a user on a hypertext network that permits the user to pause the display of advertisements.

A separate basis for patentability exists for each group of claims. Except to the extent otherwise indicated below, however, the respective groups of claims do not stand or fall together for purposes of this appeal.

8. ARGUMENT

The Examiner issued a Notice of Allowance three years ago in this six-year-old patent application indicating that the claims were allowable because the art "taken alone or in combination fail to teach or suggest" the claimed invention. This Notice of Allowance was withdrawn over eight months after payment of the Issue Fee, with no explanation or additional art cited. Thus, the Examiner's Section 103(a) obviousness rejection that is the subject of this appeal relies primarily upon two references which were already considered by the same Examiner in granting the original Notice of Allowance. Applicants respectfully request that the Examiner's Final Rejection be withdrawn and that the Examiner's original Notice of Allowance be reinstated.

Appellants' argument is divided into a discussion of the cited references followed by a discussion of the claims in order of their groupings.

A. The Reilly and Judson Patents

The Examiner has cited primarily two references in support of the Section 103(a) obviousness rejection: U.S. Patent No. 5,740,549 to Reilly et al (referred to herein as the "Reilly patent") and U.S. Patent No. 5,721,721 to Judson et al. (referred to herein as the "Judson patent"). Claims 1-2, 4-5, 7-11, 22, 25, 27, 34, 48-51, and 54-60 are rejected based solely on these two references. The remaining claims are rejected further in view of miscellaneous art that is addressed in more detail below in the argument section addressing the specific claims.

The Reilly Patent. The Reilly patent discloses an instantiation of the PointCast Network system – a system that was discussed at length in the "Background of the Invention" section of appellants' patent application. See Pages 4-7 of Appellants' Patent Application. The prior art operation of the PointCast Network is, in fact, illustrated in FIG. 1 and 2 of appellants' patent application and contrasted explicitly with the present invention. As shown in FIG. 1 of the present application, which is practically identical to FIG. 10 in the Reilly patent, the PointCast Network utilizes a unitary software application that displays information such as news, weather and sports. In the bottom right hand corner of the PointCast Network display is a small rectangular advertisement. See area 13 in FIG. 1 of appellants' patent application and area numbered 258 in FIG. 10 of the Reilly patent. See FIG. 10 reproduced below. The advertisement image is selected based on the news item being viewed. See Reilly patent, Col. 13, Lines 29-64. Different advertisements are rotated every 30 seconds. See Col. 14, Lines 1-6.

The Reilly patent discloses no functionality for controlling the presentation of the advertisements, except for a user option to change to a different scrolling speed. See Col. 14, Lines 12-16.

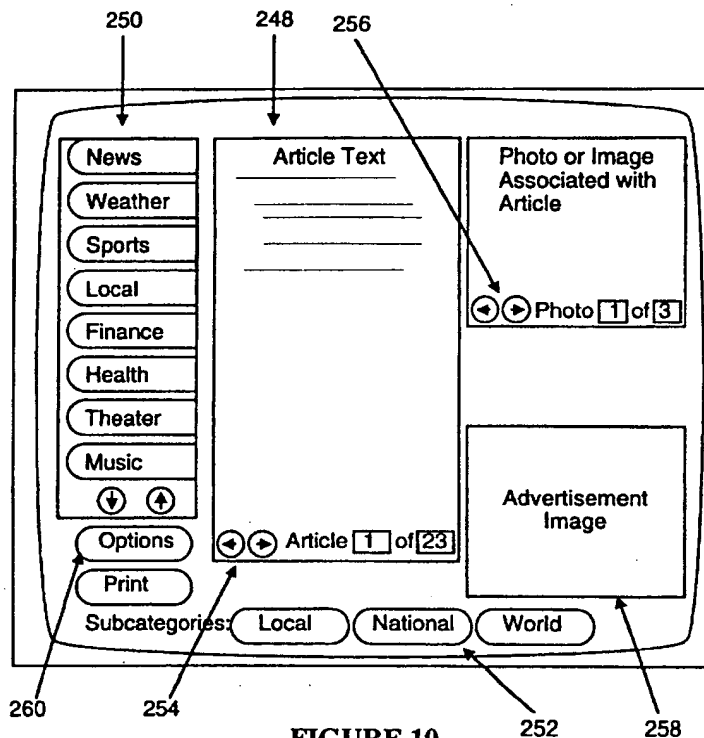U.S. Patent   Apr. 14, 1998   Sheet 9 of 10   5,740,549

250   248   256

News

Weather

Sports

Local

Finance

Health

Theater

Music

Options

Print

Article Text

◉◉ Article ☐1 of ☐23

Subcategories: Local   National   World

Photo or Image Associated with Article

◉◉ Photo ☐1 of ☐3

Advertisement Image

260   254   252   258

FIGURE 10

The Reilly patent and the PointCast Network is primarily directed to the unrelated issue of presenting portions of such information and advertisements in a screensaver during periods of computer inactivity. Col. 3, Lines 10-14. The computer detects the presence of some "idleness criteria" and proceeds to invoke certain screen saver procedures that control the presentation of the news, stories, or advertisements on the computer. See Col. 11, Line 38 to Col. 13, Line 25.

The Judson Patent. The Judson patent is directed to a modification to conventional browsers such as Netscape Navigator that changes the way the browser operates during periods when the browser is downloading a hypertext document. See Judson patent, Col. 1, Lines 39-67. In the prior art, a conventional browser after requesting information from a remote server

would merely display a blank screen or partially downloaded and unrecognizable images when waiting for the information. During the short (or long, depending on the speed of the user's connectivity to the Internet) period of waiting for a Web page to load, Judson merely discloses presenting some "useful information" to the user rather than a blank screen. See Col. 1, Lines 63-67, Col. 2, Lines 1-57. This information may include advertisements. See Col. 2, Lines 1-4, Col. 8, Lines 54-59.

There has been no suggestion by the Examiner that the modifications to a browser's operation taught by the Judson patent have any relation to the present invention. Instead, the Judson patent appears to have been cited to provide prior art support for the element of a "browser".

Notice of Allowance. It should be noted that these same references – the Judson patent and the Reilly patent – were applied in the Office Action, dated June 9, 1999, and the same claims above found to contain allowable subject matter, in the Notice of Allowance, dated December 6, 1999. As the Examiner indicated in the Reason For Allowance:

> Prior art of record taken alone or in combination fail to teach or suggest an advertising software that functions substantially independently of a browser on a client computer taken in combination with a system and method for providing to a user advertising on a hypertext network as recited in independent claims 1, 13 and 22 and in the specification.

More than eight months after payment of the issue fee, a Notice of Withdrawal From Issue Under 37 C.F.R. § 1.313(b) was issued, explaining only that the action was "due to unpatenatability [sic] of one or more claims." The subsequent office actions did not reveal any new aspect of either reference that suggests that the claims no longer contain allowable subject matter.

B. There is No Motivation to Combine the Reilly and Judson Patents

Claims 1-2, 4-5, 7-11, 22, 25, 27, 34, 48-51, and 54-60 were finally rejected under 35 U.S.C. § 103(a) as unpatentable over the Reilly Patent in view of the Judson patent. The Examiner bears the initial burden of establishing a *prima facie* case of obviousness with respect to an obviousness rejection under 35 U.S.C. § 103(a). M.P.E.P. § 2142. To establish a prima facie case of obviousness, the Examiner must show, *inter alia*, that there is some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify or combine the references and that, when so modified or combined, the prior art teaches or suggests all of the claim limitations. M.P.E.P. § 2143.

Appellants respectfully submit that the Examiner has not even established a *prima facie* case of obviousness because there is simply no suggestion or motivation to combine the Reilly patent and the Judson patent. The Reilly patent, as described above, is directed to the PointCast Network system which presents news, information, and advertisements in a screensaver during periods of computer inactivity. A data viewer is provided that may be invoked by the user to present a more in-depth view of the news/information along with a small rectangular advertising window in the corner. The Examiner suggests that this data viewer can be characterized as "advertising software" which should be combined with the "browser" disclosed in the Judson patent. There is, however, no suggestion that the data viewer shown above in FIG. 10 is meant to be combined with any other application so as to divide the display device into a browser region and an advertising region. In fact, the Reilly data viewer of FIG. 10 is part of a separate integrated application, the purpose of which overlaps with the information-providing capabilities of the conventional browser. There is no suggestion that the Reilly data viewer is meant to cooperate visually with any other application and is, by all accounts, a stand-alone application.

The Judson patent, on the hand, relies on modifications to the way a conventional browser operates so as to provide advertisements and other information during the period in which the browser is waiting for a hypertext page to fully download. The advertisement is displayed temporarily before the actual hypertext page is presented. On the other hand, the present invention advantageously requires no modification to a conventional browser, due to the fact that all of the advertising functionality is provided by a separate advertising program that integrates visually with the browser's presentation. Accordingly, the Judson patent, rather than suggesting a combination with a separate advertising program, in fact, teaches away from such an architecture as a mode of providing Internet-based advertising.

Accordingly, there is no motivation to combine the Reilly and Judson patents in any manner that could suggest the present invention.

C. Combining the Reilly and Judson Patents Does Not Teach Or Suggest All of the Limitations of Claims 1-2, 4-5, 7-11, 22, 25, 27, 34, 48-51, and 54-60.

Moreover, even when the Reilly patent and the Judson patent are combined, the two references do not teach or suggest all of the limitations of claims 1-2, 4-5, 7-11, 22, 25, 27, 34, 48-51, and 54-60.

Claims 1-2, 4-5, 7-11 (Group A). These claims are directed to a system for providing advertising to a user on a hypertext network. Claim 1 is an independent claim; the rest are

dependent claims. The limitations of these dependent claims, claims 2, 4-5, and 7-11, are discussed specifically below:

Claim 2: There is no disclosure in either reference of showing a "media clip related to the advertisement presently displayed by the advertising software" as required by claim 2. The Examiner, in the Office Action dated February 13, 2001, cites to Col. 2, Lines 4-9 in the Reilly patent as disclosing this limitation. The citation by the Examiner to the Reilly patent, ironically, describes the capabilities of non-computer based media such as television. It does not suggest or teach the limitation in claim 2. Moreover, the reference in the Reilly patent is used as an argument against streaming of advertisements to the client computer, an issue that is further addressed below.

Claim 4: There is no disclosure in either reference of providing a "communication button for establishing communication between the user and a sales agent" as required by claim 4. The citation by the Examiner to Col. 6, Lines 1-10 in the Office Actions is puzzling and inappropriate. Notably, the section discusses the operation of an information server operator terminal – not the operation of a client computer.

Claim 5: There is no disclosure in either reference of providing a user with "means to select advertising topics" as required by claim 5. The citation by the Examiner to Col. 2, Lines 48-53 is with regard to "topics which are of interest" which are used to select which "news stories [are] displayed on the subscriber's computer" – not which advertisements are shown.

Claim 7: There is no disclosure in either reference of displaying "an advertising service home page ... to a user at the user's request" as recited in claim 7. The Examiner's citation to Judson (Col. 7, Lines 15-30), in fact, deals with issues of how to embed an informational object picked out by the browser. It has nothing to do with allowing a user to automatically proceed to a home page associated with an advertiser.

Claim 10, 11: There is no disclosure in either the Reilly patent or the Judson patent of providing an "electronic coupon that may be selected by a user ... and redeemed by the user during a secure purchase transaction" as recited by claim 10. There is no disclosure in either reference of a "means for displaying a previously displayed advertisement at the user's request" as required by claim 11.

Claims 22, 25, 27, and 34 (Group B). Claims 22-34 are directed to a method for providing advertising to a user on a hypertext network. Independent claim 22 – upon which claims 23-34 are dependent – was rejected by the Examiner under 35 U.S.C. § 103(a) as being unpatentable over the Reilly patent in view of the Judson patent. Again, appellants respectfully submit that the Examiner has not established even a *prima facie* case of obviousness because the

prior art references cited, however modified or combined, fail to teach or suggest all of the claim limitations.

Appellants respectfully submit that none of the references cited by the Examiner teaches or suggests "streaming a sequence of advertisements from a server to the client computer, as required by claim 22 and all of the claims dependent on claim 22. As the specification of appellants' application indicates at page 18, lines 10-22:

> Because the advertisements are streamed from a server rather than downloaded as a set and played to the user in a loop, the present invention can make choices about which advertisements to display to the user that are responsive to the user's current viewing habits. ... This advantageous capability to target advertisements is not provided by known advertising services that download predetermined advertisements in sets.

In contrast, the Reilly patent clearly indicates that regular scheduled downloads of advertisements are utilized. See, e.g., Reilly patent, Col. 8, Pages 19-67.

Claim 25: With respect to claim 25, neither the Reilly patent nor the Judson patent disclose the step of "immediately displaying the next advertisement in said advertisement area at the user's request." The Examiner's citation to Figure 8 in the Judson patent in the February 2001 Office Action is incorrect. The user does not request the "next advertisement" in the Judson patent; in fact, the user has no control over which advertisement will be displayed at all in the Judson patent and cannot choose to move on to another advertisement where the current one is not desired.

Claim 27: With respect to claim 27, neither the Reilly patent nor the Judson patent discloses the step of "establishing communications between a user and a sales agent representing the sponsor of the presently displayed advertisement at the user's request." Neither reference discloses nor hints at this capability.

Claim 34: With respect to claim 34, neither cited reference again discloses the step of "stor[ing] an electronic coupon when selected by a user, and redeeming said electronic coupon during a secure purchase transaction at the request of a user." Neither reference discloses nor hints at this capability.

Claims 48-51 and 54-60 (Group C). Claims 48-52 and 54-60 are directed to a novel client computer structure. These claims were rejected by the Examiner under 35 U.S.C. § 103(a) as being unpatentable over the Reilly patent in view of the Judson patent – except for claim 52 which was rejected over the Reilly patent in view of art discussed below. Appellants

respectfully submit that none of the references cited by the Examiner teaches or suggests at a minimum the following elements of each of these claims:

(i) "memory that stores ... advertising software ... adapted ... to display **a step forward button** ... such that when the step forward button is selected by the user, a next advertisement in a sequence of advertisements from the advertising server is displayed to the user independently from the page that is displayed to the user by the browser...." (emphasis added); and

(ii) "memory that stores ... advertising software ... adapted ... to display ... **a step back button** ... such that ... when the step back button is selected by the user, a previous advertisement in the sequence of advertisements from the advertising server is displayed to the user independently from the page that is displayed to the user by the browser...." (emphasis added).

As discussed above, the Reilly patent discloses no functionality for controlling the presentation of advertisements. No disclosure is made of providing a "step forward button" and a "step back button" that permits a user to select the next or a previous advertisement in a sequence of advertisements. The Judson patent does nothing to overcome the shortcomings of the Reilly patent in the art.

Claim 49, 54: With respect to dependent claim 49, the claim is limited to advertising software that is adapted to be executed by the microprocessor to "display an advertisement that is part of a stream of advertisements." Similarly, claim 54 requires that "advertisements are streamed from the advertising server to said client computer." As discussed above, the Reilly patent in fact teaches away from streaming the advertisements.

Claim 50: With respect to claim 50, the claim requires a "sales agent button" such that "when said sales agent button is selected by the user, communications are established between the user and a sales agent of the sponsor of an advertisement displayed to the user." Neither the Reilly patent nor the Judson patent disclose such a capability.

Claim 51: With respect to claim 51, the claim requires that a user be able to select a "topic" from a "list of topics" displayed to the user such that advertisements pertaining to the topic are received from the advertising server. The Reilly patent discloses choosing from different news story topics, not advertising topics.

Claim 55-60: With respect to claim 55, the claim requires a "media clip button" such that "multimedia information is shown to the user that is related to the advertisement...." Claim 56 requires a "secure purchase button..." Claim 59 requires the display of an "electronic coupon button" such that "when said electronic coupon button is selected by the user, an electronic

coupon is stored at the client computer for a product related to the advertisement displayed to the user at the time the user selects the electronic coupon button." Again, neither the Reilly patent nor the Judson patent discloses any of these limitations.

In sum, the Examiner has not met the burden of establishing that the present invention, as claimed by claim 1 and its dependent claims, claim 22 and its dependent claims, and claim 48 and its dependent claims, are obvious in light of the Reilly patent and the Judson patent. It should be noted that the arguments presented in these Sections A, B and C are equally applicable to the following sections, which addresses claims that incorporate many of the same limitations as the relevant independent claims.

D. The Cited References Fail To Teach Or Suggest All Of The Limitations Of Claims 3, 13, 14, 16-21, 24, 26, 28, 29, 31-33, 35, 36 (Group D)

Claims 3, 13, 14, 16-21, 24, 26, 28, 29, 31-33, 35, 36 are rejected in view of the above Reilly and Judson patents and further in view of an article by Donald T. Hawkins of AT&T Bell Laboratories entitled "Electronic Advertising: On Online Information $y$tem$," ONLINE, Vol. 18, No. 2, pp. 26-39, March 1994 (referred to herein as the "Hawkins article").

The Hawkins article is primarily directed to the economic and practical benefits and disadvantages of electronic retailing. The Hawkins article briefly discusses the Prodigy and Compuserve services in general terms, but also notes that "[e]xcept for Prodigy and to a lesser extent on Compuserve, advertising on online information services has not yet been widely attempted or accepted." Hawkins article, Page 37. Prodigy, according to the Hawkins article, uses what it terms as "awareness ads" that a user can elect to receive more information about by viewing one or more additional screens and place orders. See Page 32-33. No details are given on the exact nature of such interactions or transactions.

Claims 3, 13-21, and 26: Claim 3 and 26 recite the limitation of a effectuating a "secure purchase transaction" through the client computer at the user's request. Claim 13, and its dependent claims 14-21, recites the limitation of advertising software having a "transaction area having a secure purchase button for effectuating a secure purchase transaction at the user's request." Even if there was a motivation to combine the Hawkins article with the Reilly and Judson patents, the resulting combination does not teach and suggest these claim limitations. Hawkins merely discloses, in broad generalities, the ability to conduct secure purchase transactions using a hypertext browser. These secure purchase transactions would be conducted using the hypertext facilities of the browser and the purchase interface would be displayed as hypertext in the browser. The present claim limitations, on the other hand, are directed to

permitting a user to initiate a secure purchase through an interface on the advertising software itself, which is separate from the browser software. An example is the button labeled 45 in FIG. 5 depicted above. The secure purchase button is in the same consistent place on the advertising software and is readily locatable, unlike the arbitrary placement of purchase buttons on hypertext pages in the prior art.

Claims 35-36: Claim 35, and independent claim – and its dependent claim 36 – disclose a method of effectuating a secure purchase transaction on a hypertext network. Claims 35 and 36 include the step of "streaming a sequence of advertisements from said server to said client computer..." and "accepting a secure purchase request from a user for the item offered in a presently displayed advertisement" and "accepting purchaser information from the user." As discussed above, neither the Reilly or Judson patents disclose "streaming a sequence of advertisements" – and the Hawkins article does not disclose the same either. Although the Hawkins describes in broad strokes that secure purchase transactions could be conducted with a hypertext browser, there is no disclosure of "accepting a secure purchase request" from a user "for the item offered in a presently displayed advertisement" out of a sequence of advertisements. Nor is there disclosed the accepting of purchase information from the user after accepting such a secure purchase request.

Claim 14, 16-21: Claim 14 recites a "communications button for establishing communications with a sales agent at the user's request." Again, there is no disclosure in either Hawkins article or the Reilly or Judson patents of such capabilities. The citation by the Examiner to Col. 6, Lines 1-10 in the February 2001 Office Actions is again puzzling and inappropriate. Notably, the section discusses the operation of an information server operator terminal – not the operation of a client computer. Similarly, claim 16 includes the limitation of a "multimedia button" in the advertising area wherein multimedia information at the server is displayed in the browser area when the multimedia button is selected. Claim 17 includes the limitation of a "home page button" in the advertising area wherein the home page stored on the server is displayed in the browser when the home page button is selected. Claim 18 includes a limitation requiring an "advertising topic list." Claim 21 requires an "advertisement is stored on said client computer as an electronic coupon when selected by the user" and the "electronic coupon [is] redeemable during a secure purchase transaction." None of these features are disclosed or hinted at by the Hawkins article or the Reilly or Judson patents.

Claim 24: Claim 24 discloses the steps of "caching a predetermined number of advertisements", "pausing the display of the sequence of advertisements", and "stepping backward and forward through and displaying said cached advertisements to the user at the user's request." The Examiner in the February 2001 Office Action cites to the Judson patent as

disclosing these features, in particular pointing to the "Back" and "Forward" buttons of the browser. This is incorrect. The "Back" and "Forward" buttons in the Judson patent do not step backward and forward through a sequence of cached advertisements, as recited in claim 24. Rather, they are the standard "back" and "forward" buttons on the conventional browser that step back and forward through the hypertext pages being viewed by the user.

Claim 28-29, 31-33: Claim 28 recites the step of "showing to the user multimedia information pertaining to the presently displayed advertisement at the user's request." Claim 29 recite the step of "showing an advertising service home page to the user at the user's request." Claim 31 recites the step of displaying a list of "advertising topics" to a user and displaying advertisements in the advertising area pertaining to the advertising topics selected by the user. Claim 33 recites the step of "determining the topics of page viewed" through the browser, "selecting advertisements related to said topics" and "transmitting said advertisements related to said topics to said client computer." None of these limitations are disclosed by the recited references.

E. The Cited References Fail To Teach Or Suggest All Of The Limitations Of Claims 41-42 (Group E)

Claims 41 and 42 are rejected in view of the above Reilly and Judson patents and further in view of the Hawkins article and further in view of U.S. Patent No. 5,724,424 to Gifford (herein the "Gifford patent"). The Gifford patent is directed to a system for purchasing of goods or information over a computer network. See Gifford patent, Abstract. The Gifford patent, in particular, is directed to the mechanisms for securing payment upon selection of an item for purchase using a hypertext browser. These particularized payment mechanisms, while useful when used in conjunction with the present invention, are nevertheless tangential to the present invention.

Claim 41 and its dependent claim 42 are directed to a method of effectuating a secure purchase transaction on a hypertext network. The arguments recited above with regard to claim 22 are fully applicable to claims 41 and 42 with regard to the "streaming" of a "sequence of advertisements" from the server to the client computer. The Hawkins article and the Gifford patent do not disclose this limitation either, being directed to different subject matter.

Moreover, claims 41 and 42 include the steps of "accepting a secure purchase request from a user for the item offered in a presently displayed advertisement" in advertising software and "accepting a confidential authentication password from the user" and "forwarding preregistered purchaser information to the sponsor of the presently displayed advertisement if

14

the confidential authentication password provided by the user matches a confidential authentication password stored on said server". The Gifford discloses a payment system that requires a merchant computer to interact with a buyer computer. The buyer computer authenticates with the merchant computer and effectuates the transaction with the interactions with the merchant computer. Claims 41 and 42, however, require a different transaction structure, which does not require pre-registration or interactions with a merchant computer. Instead, the user pre-registers with the entity managing the server that interacts with the advertising software and the merchants. The user provides personal information and selects a confidential authentication password that is stored at the server. When the user submits a secure purchase request and authenticates with the server using the confidential authentication password, the server then forwards the preregistered purchaser information to the merchant who sponsored the advertisement. There is no need to interact and register and authenticate with each separate merchant computer.

F. The Cited References Fail To Teach Or Suggest All Of The Limitations Of Claims 6, 15, and 30 (Group F)

Claims 6, 15, and 30 are rejected in view of the above Reilly and Judson patents and further in view of U.S. Patent No. 6,185,541 to Scroggie (herein the "Scroggie patent"). Claims 6, 15, and 30 are dependent claims that incorporate all of the limitations of the independent claims described above. Claim 6 discloses the additional limitation of a "help page" on the server wherein the "help page" is displayed by the browser "when the user selects a help button displayed to the user by said advertising software." Claim 15 similarly discloses the additional limitation of a "help button" in the "advertising area" which can be "selected by the user" so that a "help page" on the server may be displayed in the "browsing area". Claim 30 similarly recites a step of "showing an advertising service help page to the user at the user's request."

The Scroggie patent discloses a system and method for delivering purchasing incentives through a computer network. The Scroggie patent does disclose a "help page" at Col. 6, Lines 38-45 and Col. 7, Lines 26-32. Nevertheless, it is clear from FIG. 4 that the Scroggie patent's "help page" is nothing more than another hypertext link in a main menu/index html page displayed in a browser session. The "help page" is not selected by pressing a specialized "help button" displayed by separate advertising software, as explicitly required by at least claims 6 and 15. Nor does the Scroggie patent teach or suggest such a structure or limitation. Accordingly, the Scroggie patent, even when combined with the Reilly and Judson patents, does not render the above claims obvious.

G. The Cited References Fail To Teach Or Suggest All Of The Limitations Of Claims 12, 23, and 52 (Group G)

Claims 12, 23 and 52 are rejected in view of the above Reilly and Judson patents and further in view of U.S. Patent No. 5,909,670 to Trader (herein the "Trader patent").

The Trader patent is directed to what it describes as an "electronic classified advertising system" which is a very different advertising system from the one described in the present application. Users of the Trader patent use a telephone to call into an enhanced voice messaging system. Users use a telephone DTMF keypad (see FIG. 2) to interact with the enhanced voice messaging system and to play and navigate through various advertisements. The purported novelty in the Trader patent lies in the use of enhanced pause and playback interface features that, unlike traditional voicemail systems, permit the user to more readily navigate through the voice advertisement.

In the present invention, the user is not faced with the user interface limitations of the sort of systems that the Trader patent deals with. Instead, the present invention deals with enhancements to an advertisement system coupled to a conventional hypertext browser. Claim 12 is a dependent claim that recites the limitation of "means to pause the display" of a sequence of advertisements in an advertising area at a user's request. Claim 23 recites the limitation of "pausing the display of advertisements" in a sequence of advertisements at the user's request. Claim 52 similarly recites the limitation of including a "pause button" such that when the pause button is selected by the user, the display of advertisements in a sequence of advertisements is paused – and resumed when it is selected a second time by the user. The Trader patent is simply irrelevant to the computer-based architecture of the present invention, and there would be no meaningful motivation to combine the Trader patent with any of the above-mentioned references.

16

CONCLUSION

In summary, the pending claims 1-36, 41, 42, 48-52, and 54-60 are patentable over the cited references. Applicants respectfully request that the earlier Notice of Allowance be reinstated over the present Final Rejection.

The Office is hereby authorized to charge any additional fees or credit any overpayments under 37 C. F. R. 1.16 and 1.17 to **AT&T Corp. Deposit Account No. 01-2745** .

Respectfully submitted,
Jitendra Apte
Marina Lima Roesler

Date: July 8, 2002

By
Benjamin S. Lee
Registration No. 42,787

AT&T CORP.
P.O. Box 4110
Middletown, NJ 07748
Tel: 908-221-5438
Fax: 732-368-6932

APPENDIX

(BRIEF of Appellants Apte et al., U.S. Patent Application, Serial No. 08/691,900)

CLAIMS ON APPEAL

1. A system for providing to a user advertising on a hypertext network, comprising:

      a. a server having advertisements, said server connected to the network;

      b. a client computer comprising advertising software, a display device, a storage device, an input device and a browser, said client computer connected to the network, said advertising software controlling the presentation of a first set of information to the user in a first region of said display device, said browser controlling the presentation of a second set of information to the user in a second region of said display device, said advertising software adapted to receive an advertisement form said server, said advertising software adapted to include said advertisement in said first set of information presented to the user in said first region of said display device, and said advertising software adapted to function substantially independently of said browser on said client computer.

2. The system of claim 1, wherein a media clip related to the advertisement presently displayed by the advertising software to the user is shown on said client computer when said media clip is requested by a user.

3. The system of claim 1, wherein a secure purchase transaction is effectuated through said client computer at the user's request.

4. The system of claim 1, further comprising a communications button for establishing communications between the user and a sales agent, said communications button displayed by the advertising software to the user, and wherein communications are established between the sales agent and the user at the user's request when the user selects the communications button.

5. The system of claim 1, further comprising means for the user to select advertising topics, wherein advertisements pertaining to said selected advertising topics are displayed to the user by the advertising software.

6. The system of claim 1, further comprising a help page on said server, said help page displayed to the user by said browser when the user selects a help button displayed to the user by said advertising software.

7. The system of claim 1, further comprising an advertising service home page on said server, said home page displayed to a user at the user's request.

8. The system of claim 1, wherein an advertisement displayed to the user by said advertising software comprises at least one link that loads and displays a page in said browser area when said link is selected by a user.

9. The system of claim 1, wherein an advertisement related to at least one page displayed to a user by said browser is displayed to the user by said advertising software.

10. The system of claim 1, further comprising an electronic coupon that may be selected by a user, wherein said electronic coupon is stored on said client computer and redeemed by the user during a secure purchase transaction.

11. The system of claim 1, further comprising means for displaying a previously displayed advertisement at the user's request.

12. The system of claim 1, wherein a sequence of advertisements is displayed to the user, and further comprising means to pause the display of the advertisements in the sequence at the user's request.

13. A system for providing to a user advertising on a hypertext network, comprising:
    a. a server storing advertisements, said server connected to the network;
    b. a client computer having a display device, a browser and advertising software, said advertising software [that] operat[es]ing substantially independently of said browser, said client computer connected to the network, said advertising software adapted to receive and display said advertisements in sequence from said server, and said advertising software presented on a region of the display device to the user an advertising area comprising:
        i. a control area having a pause button, a step back button, and a step forward button by which the presentation of advertisements to the user is controlled by a user;
        ii. a display area where advertisements are displayed in sequence to the user; and

19

iii. a transaction area having a secure purchase button for effectuating a secure purchase transaction at the user's request.

14. The system of claim 13, further comprising a communications button for establishing communications with a sales agent at the user's request.

15. The system of claim 13, further comprising a help page on said server, and said advertisement area further comprising a help button wherein said help page is displayed in said browser area when said help button is selected by the user.

16. The system of claim 13, further comprising multimedia information on said server, wherein said advertising area further comprises a multimedia button, and wherein said multimedia information is displayed in said browser area when said multimedia button is selected by the user.

17. The system of claim 13, further comprising a home page on said server, and wherein said advertising area further comprises a home page button, and wherein said home page is displayed in said browser area when said home page button is selected by the user.

18. The system of claim 13, wherein said advertising area further comprises an advertising topic list, and wherein said advertisements pertaining to topics selected by the user are displayed in said advertising display area.

19. The system of claim 13, wherein said advertisement displayed by said advertising software comprises at least at least one link that loads and displays a page in said browser area when selected by the user.

20. The system of claim 13, wherein said server targets said advertisements to the user, said server transmitting advertisements related to pages displayed through said browser on said client's computer at the user's request.

21. The system of claim 13, wherein an advertisement is stored on said client computer as an electronic coupon when selected by the user, said electronic coupon redeemable during a secure purchase transaction.

22. A method for providing advertising to a user on a hypertext network, comprising the steps of:

a. loading advertising software from a server on a client computer with a browser at a user's request, said software dividing the client computer screen into a browser area and an advertising area;

b. streaming a sequence of advertisements from said server to said client computer at the request of said client computer; and

c. displaying said advertisements to the user in said advertising area while maintaining functionality of the browser in the browser area.

23. The method of claim 22, further comprising the step of pausing the display of advertisements at the request of the user.

24. The method of claim 22, further comprising the steps of caching a predetermined number of advertisements on the client computer, pausing the display of the sequence of advertisements and stepping backward and forward through and displaying said cached advertisements to the user at the user's request.

25. The method of claim 22, further comprising the step of immediately displaying the next advertisement in said advertisement area at the user's request.

26. The method of claim 22, further comprising the step of effectuating a secure purchase of an item shown in the presently displayed advertisement at the user's request.

27. The method of claim 22, further comprising the step of establishing communications between the user and a sales agent representing the sponsor of the presently displayed advertisement at the user's request.

28. The method of claim 22, further comprising the step of showing to the user multimedia information pertaining to the presently displayed advertisement at the user's request.

29. The method of claim 22, further comprising the step of showing an advertising service home page to the user at the user's request.

30. The method of claim 22, further comprising the step of showing an advertising service help page to the user at the user's request.

21

31. The method of claim 22, further comprising the steps of displaying a list of advertising topics to a user and displaying advertisements in said advertisement area pertaining to said advertising topics selected by the user.

32. The method of claim 22, further comprising the step of displaying an advertisement page in the browser area when the advertisement shown in the advertising area is selected by a user.

33. The method of claim 22, further comprising the steps of determining the topics of pages viewed through said browser on said client computer at the user's request, selecting advertisements related to said topics, and transmitting said advertisements related to said topics to said client computer.

34. The method of claim 22, further comprising the steps of storing an electronic coupon when selected by a user, and redeeming said electronic coupon during a secure purchase transaction at the request of a user.

35. A method of effectuating a secure purchase transaction on a hypertext network, comprising the steps of:

 a. loading advertising software from a server on a client computer with a browser at a user's request, said software dividing the client computer screen into a browser area and an advertising area;

 b. streaming a sequence of advertisements from said server to said client computer at the request of said client computer;

 c. displaying said advertisements to the user in said advertising area while maintaining the original functionality of the browser in the browser area;

 d. accepting a secure purchase request from a user for the item offered in a presently displayed advertisement;

 e. accepting purchaser information from the user.

36. The method of claim 35, wherein said secure purchase information comprises the credit card information, said credit card information comprising the name of the credit card vendor, the user's name and credit card number, and the expiration date of the user's credit card.

41. A method of effectuating a secure purchase transaction on a hypertext network, comprising the steps of:

a. loading advertising software from a server on a client computer with a browser at a user's request, said software dividing the client computer screen into a browser area and an advertising area;

b. streaming a sequence of advertisements from said server to said client computer at the request of said client computer;

c. displaying said advertisements to the user in said advertising area while maintaining functionality of the browser in the browser area;

d. accepting a secure purchase request from a user for the item offered in a presently displayed advertisement;

e. accepting a confidential authentication password from the user; and

f. forwarding preregistered purchaser information to the sponsor of said presently displayed advertisement if the confidential authentication password provided by the user matches a confidential authentication password stored on said server, and generating an error message if said password provided by the user does not match said password stored on said server.

42. The method of claim 41, further comprising the steps of storing an electronic coupon when said advertisement is selected by a user, and redeeming said electronic coupon during a secure purchase transaction at the request of a user.

48. A client computer for presenting advertising to a user, comprising:

a. a microprocessor;

b. a memory that stores browser software adapted to be executed to retrieve and display a hypertext page from a site and advertising software adapted to retrieve and display and advertisement from an advertising server, said advertising software further adapted to be executed by said microprocessor to display a step forward button and a step back button to the user, such that when the step forward button is selected by the user, a next advertisement in a sequence of advertisements from the advertising server is displayed to the user independently from the page that is displayed to the user by the browser, and when the step back button is selected by the user, a previous advertisement in the sequence of advertisement form the advertising server is displayed to the user independently from the page that is displayed to the user by the browser; and

c. a display device on which to display the hypertext page and the advertisement to the user.

23

49. The client computer of claim 48, wherein said advertising software is adapted to be executed by said microprocessor to display an advertisement that is part of a stream of advertisements.

50. The client computer of claim 48, wherein said advertising software is adapted to be executed by said microprocessor to display a sales agent button to the user, such that when said sales agent button is selected by the user, communications are established between the user and a sales agent of the sponsor of an advertisement displayed to the user.

51. The client computer of claim 48, wherein said advertising software is adapted to be executed by said microprocessor to display a list of topics to the user, such that when the user selects a topic form the list of topics, advertisements pertaining to that topic are received from the advertising server.

52. The client computer of claim 48, wherein said advertising software is adapted to be executed by said microprocessor to display a pause button to the user, such that when said pause button is selected a first time by the user, the display of advertisements in a sequence of advertisements is paused on the advertisement that is displayed to the user at the time the pause button is selected, and wherein when the pause button is selected a second time by the user, the display of advertisements in the sequence of advertisements in resumed.

54. The client computer of claim 48, wherein advertisements are streamed from the advertising server to said client computer.

55. The client computer of claim 48, wherein said advertising software is adapted to be executed by said microprocessor to display a step forward button a media clip button, such that when said media clip is selected, multimedia information is shown to the user that is related to the advertisement that is shown to the user at the time the user selects the multimedia button.

56. The client computer of claim 48, wherein said advertising software is adapted to be executed by said microprocessor to display a secure purchase button, such that when said secure purchase button is selected by the user, the user is presented with a graphical user interface through which the user purchases a product related to the advertisement displayed to the user at the time the user selects the secure purchase button.

57. The client computer of claim 48, wherein the graphical user interface through which the user purchases a product is displayed to the user by the browser software.

58. The client computer of claim 48, wherein the graphical user interface through which the user purchases a product is displayed to the user by the advertising software.

59. The client computer of claim 48, wherein said advertising software is adapted to be executed by said microprocessor to display an electronic coupon button, such that when said electronic coupon button is selected by the user, an electronic coupon is stored at the client computer for a product related to the advertisement displayed to the user at the time the user selects the electronic coupon button.

60. The client computer of claim 48, wherein said advertising software is adapted to be executed by said microprocessor to display a home page button, such that when said home page button is selected by the user, a page is displayed to the user by the browser software, wherein the page includes information pertaining to the sponsor of the advertisement that was displayed to the user at the time the user selected the home page button.